

KOSOVO

Capital: Pristina

GDP per capita: n/a

Population: n/a

Inflation: n/a

Unemployment: n/a

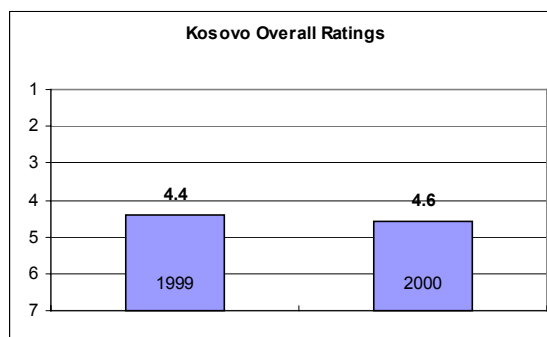
Foreign Direct Investment: n/a

OVERALL RATING: 4.6

Civil society in Kosovo benefits from a strong history, as Kosovar society provided itself with social, cultural and basic community services over the past ten years through a largely voluntary civil society system. As a result, NGOs in Kosovo enjoy a largely positive public image.

There are currently over 400 local NGOs registered in Kosovo, although it is estimated that less than 100 of these are truly active. These figures reveal the significant divide in the Kosovar NGO sector between a few well-established and capable organizations, that mostly began operations before the war, and the large number of less developed organizations that have formed since the war, often in response to the availability of donor funding. This dilution has diminished the overall effectiveness and public image of the NGO sector.

The NGO sector in Kosovo benefits from a favorable legal environment that largely adheres to international best practices. However, other types of infrastructure – including a cadre of capable local trainers and local sources of funding – are necessary to increase the sector's sustainability and effectiveness.

**LEGAL ENVIRONMENT: 3.0**

Since November 1999, local and foreign NGOs in Kosovo have operated under the provisions set forth in UNMIK Regulation No. 1999/22 on the Registration and Operation of Non-Governmental Organizations in Kosovo. Administrative Direction No. 2000/10, signed on May 9, 2000, clarifies the implementation of this Regulation.

The regulation and administrative direction are largely based on international best practices and establish a favorable

legal environment for NGOs. Consistent with civil law traditions, the regulation permits the establishment of both associations and foundations, which may be established for either public benefit or mutual interest. In addition, the regulation also recognizes that individuals have the right to associate without forming a legal entity. Registration is simple, and UNMIK has limited authority to deny registration. Associations and foundations are allowed to engage in economic activi

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ties to support their purposes. In exchange for exemptions on customs duties and excise and sales tax on imported goods, organizations with public benefit status must submit an annual report with programmatic and financial information.

Although NGOs operate under a favorable NGO law, there is limited understanding of the law among both local NGOs and local lawyers. There are currently efforts underway to establish a local organization focused on NGO legal issues and to introduce a course on NGO law in the law school to address this deficiency.

ORGANIZATIONAL CAPACITY: 4.5

The NGO sector in Kosovo consists of a few experienced and sophisticated NGOs that have been operating since before the war, and a large number of NGOs that have formed since, in part to meet the needs of the large community of international development and relief agencies operating in Kosovo. There is a wide gap between the level of organizational capacity between these two groups. Several experienced and established NGOs have developed strong and loyal constituencies, clear missions, and strategic plans. The majority of NGOs, however, are more likely to design their initiatives in response to donor interests and priorities. Hundreds of NGOs have been created in response to donor announcements of grant programs, and then cease operations when funding ends or fails to materialize. Stronger NGOs have permanent, high quality staff, but smaller NGOs are more likely to hire staff on a temporary basis to fulfill the needs of particular projects.

A further problem faced by all NGOs is retaining experienced NGO activists, as many have accepted jobs with international agencies that can offer

higher salaries. The level of technical advancement within the NGO sector also varies widely. Organizations that have been successful at attracting donor funds have solid technical bases, while others do not have access to even the most basic equipment. However, while access to computers and the Internet is a particular problem for NGOs in smaller cities and in rural areas, the situation has improved dramatically since the war.

Over the past decade, volunteerism was prevalent in Kosovo, as the Albanian community provided itself with social, cultural, and basic community services. Although volunteerism is still relatively high, the number of active volunteers has dropped over the past year.

Internal management structures remain weak, with most NGOs dominated by a single dynamic leader. NGOs must have a board of directors to register; however, few organizations have defined roles for or effectively utilize their boards, and in many cases, staff members also serve as board members.

FINANCIAL VIABILITY: 6.0

Although there is a long-standing history of community support for civil society initiatives in Kosovo, the NGO sector

relies heavily on foreign donors for financial support. The local economy has extremely limited capacity to provide

financial support to NGOs, and even volunteerism is declining.

Existing legislation does not place any limitation on NGO capacity to compete

for government (i.e. UNMIK) contracts and procurements, but such competition is rare. Some NGOs have started to charge fees for the services they provide, but this is still an uncommon practice, as most of their target beneficiaries can not afford to pay for the services they receive.

In general, NGOs lack sound financial management systems to track the use of their funds.

ADVOCACY: 4.5

Local NGOs have little experience in advocating for policy change. Over the past ten years NGOs had no contact with the government and there are currently limited traditional governmental entities with whom NGOs can communicate. Furthermore, the NGO sector is generally more comfortable with the role of opposing the government, rather than lobbying the government to implement specific policies.

Despite these obstacles, NGOs generally have good lines of communication with UNMIK and OSCE, both of whom consult with NGOs on a variety of policy issues. Local NGOs were actively involved in

reviewing and commenting on UNMIK's NGO regulations, as well as the nature and content of reporting for public benefit organizations. NGO coalitions exist in the areas of election monitoring and women's issues.

Some NGOs played a role in local elections in Kosovo in October 2000, both as observers and in educating the public about candidate platforms. As local government structures evolve, NGOs will need to develop the capacity to successfully participate in public policy debate and decision making with these structures.

SERVICE PROVISION: 5.0

In the absence of support and services from the Serbian government, Kosovar civil society has been active in providing health services, education, protection of human rights and other public services over the past decade. While numerous organizations remain active in the field of service provision, the influx of international organizations with missions to provide such services has reduced the number of local organizations involved in this sphere. This disempowerment of local groups raises serious questions

about the provision of needed social services once international groups start to pull out of Kosovo.

There is wide discrepancy in the ability of NGOs to produce goods and services that reflect community needs and priorities, but many established organizations regularly conduct assessments to ensure that their projects respond to local realities. Furthermore, local NGOs serve as a valuable source of information about community needs for

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international organizations. However, several local NGOs report that international NGOs often develop projects based on local groups' ideas or use their contributions without recognizing their participation. The ability of local NGOs to provide high quality services is also diminished by the "brain drain" that is taking place, as talented NGO leaders accept positions with international organizations.

While UNMIK is favorably disposed to local NGOs, there are no established procedures for government structures to provide grants or contracts to NGOs to deliver services. NGOs also have a difficult time recovering costs for the services they provide, given the devastating local economic situation.

INFRASTRUCTURE: 5.0

The OSCE has been actively trying to develop an infrastructure to support the development of the NGO sector in Kosovo. This has included the development of a network of seven NGO resource centers and the establishment of an NGO assembly, led by an Executive Council. Unfortunately, these initiatives have had limited success to date. The services offered by the NGO resource centers are largely limited to access to space for meetings, office equipment, and modest libraries. The sustainability of these centers is a serious cause for concern. Likewise, the Executive Council has had limited effectiveness, as many of the larger and more established NGOs have chosen not to participate in it.

Local NGOs have had some success at building structures for sharing

information and promoting cooperation – both within the sector and with businesses and government agencies. NGOs operating in the field of women's rights have been especially effective at networking, and have formed a strong coalition. A coalition also exists for organizations involved in election monitoring. In addition, local NGO councils exist in two towns.

Two local organizations – the Kosovo Civil Society Foundation and the Kosovo Foundation for Open Society – provide grants to local groups. Both of these groups rely on international donors for their funds. While there are some local trainers, their level of skill remains low. As a result, foreign trainers lead most of the training sessions taking place in Kosovo.

PUBLIC IMAGE: 4.0

NGOs in Kosovo developed a positive public image before and during the war. While this image has largely remained intact, the recent development of opportunistic and ineffective NGOs, as well as businesses registered as NGOs to take advantage of tax exemptions, has tarnished this image somewhat. However, both UNMIK, essentially the only government operating in Kosovo, and businesses generally respect NGOs as a sector.

The level of media coverage of NGO activities varies by organization. Several large, well-known NGOs enjoy almost daily coverage. On the other hand, other organizations, particularly women's groups, receive very little media attention. Part of the reason for this

is a poorly developed understanding of public relations and NGOs' responsibility to inform the media and the public of their work.

Self-regulation is still a relatively new concept in Kosovo. While many organizations express an interest in being open and transparent, none have adopted codes of ethics or published annual reports. However, the UNMIK regulation governing non-profits requires those with public benefit status to file annual reports, with the first reports due in November 2000. The reports will be accessible to the public, and are hoped to increase transparency and accountability within the NGO sector.